



Bringing HEART to Home Care

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TESTIMONY

Delivered by Mark P. Chudwick
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Before the Human Services Committee
Public Hearing Regarding Proposed Bills 5814 & 5827
An Act Concerning A Study of Medicaid Home Health Rates
An Act Concerning Medicaid Funded Home Health Care
February 5, 2015

Support Medicaid Home Health Care Reimbursement Increases to:

- **Ensure a Viable and Adequate CT Home Care Provider Network**
- **Maintain Access to Healthcare at Home for the State's Poor and Disadvantaged**
- **Enable DSS to Continue to Reap Cost Savings in the Medicaid Program, as Home-based Care is the Most Cost-effective Care Setting**

Good afternoon Senator Moore, Representative Abercrombie and honorable members of the Human Services Committee. My name is Mark Chudwick and I am the Director of Communications for Visiting Nurse Services of Connecticut.

Our agency is one of Connecticut's largest providers of skilled home health care, admitting more than 8-thousand patients each year. As a 105-year-old nonprofit provider, we are fully committed to ensuring access to quality home health care to all of our citizens. As the primary provider in urban regions including Stamford, Norwalk, Bridgeport and Torrington, VNS is one of Connecticut's largest providers of home health services for Medicaid recipients. More than a third of our patients admitted, and nearly 100,000 patient visits, are covered by the Medicaid program and that number is increasing as a result of new enrollees in the state's Health Insurance Exchange.



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It is true that home health providers received a one percent Medicaid rate increase this year—our first rate increase since 2005. However the adjustment has done little to ameliorate our financial losses in caring for Medicaid patients. In our 2014 fiscal year, our agency lost approximately \$4 million providing home health services for nearly 2-thousand Medicaid patients. Margins accrued through Medicare reimbursements have traditionally significantly assisted in covering a large portion of the Medicaid deficit, however the federal government continues to cut Medicare payments for home health and our ability to continue to serve the poor and disadvantaged is in serious jeopardy. In spite of our best efforts to raise additional revenue through grants and fundraising, and utilize all extraordinary revenue sources such as investment income, donations etc., the dollars generated fall far short of filling the gap and our equity credit line is nearing its end. We now operate with a material bottom line deficit due to the inadequate Medicaid reimbursement rates.

Our community-based Board of Directors, fully cognizant of its fiduciary responsibility, has begun discussions around limiting or even terminating altogether providing services for the Medicaid population in order preserve the financial integrity of our organization. This approach has already been taken by many who serve the Medicaid population. The implications of these actions for the State of Connecticut would be a significant increase in the cost of providing health care for this population, as the lack of home health services would require additional admissions and longer stays in institutions such as hospitals and nursing homes.

To us, this notion is abhorrent. It runs contrary to the mission our founders set forth when they created our agency more than a century ago. However, at a reimbursement rate of 60 cents on the dollar, to ignore these options would only hasten bankruptcy

The current reimbursement model is not sustainable. We believe that the rate restructuring process outlined in Proposed Bills 5814 and 5827 would go far to assist us in overcoming the financial challenges we face in continuing to provide services for Connecticut's growing Medicaid population. So, we strongly encourage the General Assembly to support and ultimately pass these bills to protect access to high quality home health services for all Connecticut residents.

Thank you.